Office of Transportation and Property Management

The Audit Division
James Fitzgerald
1800 F Street NW
Washington, DC
202-501-3000

The Audit Division

- Provides Govt-wide transportation audit services to all Federal executive agencies
- Prepayment - approve and review prepayment audit programs
- Postpayment- assure that charges paid to agencies are proper and accurate
- Engage in recovery of excess charges from carriers
- Maintain largest, official tariff/tender transportation library

Statutes

- Section 322 of the Transportation Act of 1940, as amended (31 U.S.C. 3726)
- Public Law 85-762
- The Transportation Payment Act of 1972
- The Debt Collection Act of 1982
- The Travel and Transportation Reform Act of 1998

41 CFR 102-118

- Major changes
  - Prescribes prepayment audit procedures
    - Electronic billings
    - Use of commercial bills
    - Use of credit cards for freight transportation
    - Elimination of the GBL
  - Redefines GSA Audit Division postpayment function and responsibilities

Yesterday…Today… Tomorrow

Today , prepayment audit of transportation billings is mandatory for all federal agencies- civilian and military under Public Law 105-264

but… Pre-pay has been around for decades, actually started in 1905.

1940 Switched from pre-pay to post-pay.

1990 several agencies participated in voluntary pre-pay program

1998 legislation and 2000 implementation of PL 105-264

Back to today – both Prepay and Postpay Audit are in full effect.

Advantages of Prepay Audit Program, under new law and regulation

- Avoid overpayments
- Retain money to support agency's goals
- Offer protection, as certifying officials are now liable

Prepayment Audit

- Process
  - 7 days to advise carrier of adjustment to billing (Prompt Payment Act (31 U.S.C. 3903)
  - Statement of Difference

Prepayment Audit

- Appeals Process
  - Rebuttal to agency
  - Submit unsettled dispute to GSA Audit Division
  - GSA Board of Contract Appeals (GSBCA)
  - U.S. Court of Federal Claims

Reasons for Returned Bills and SODs

Bills come in with no org/destn

No TSP sig for dely

SCAC on SF-1113 and BOL different

On partially-approved bills, TSP may submit new bill for original amt

No sig or missing DD-619 for pkg

Agency & TSP : Please note

When a Federal agency hires a company/firm, there may be:

agency-specific needs (differing from others);

additional requirements;

Place these in your task-order,-

including any penalties.

Postpayment Audit

- Process
  - Notice of Overcharge
  - Review of carrier protest (no collection effected/delays offset process)
  - Review claims/ audit supplemental and prepayment audit claims
  - Issue Certificate of Settlement (certification of payment)
  - Issue Settlement Certificate (denial)

Issues

- Types
  - Conflicting rates and provisions
  - Interpretation of rate applications/governing provisions
  - Events surrounding procurement questionable

Issues

- Specific
  - Dimensional weight and oversize freight
  - Requested/required service
  - Capacity Load
  - Exclusive Use
  - Certification of labor charges
  - Storage authorization

Documentation

- Statement detailing claim basis
- SF1113 with copy of CBL,GBL or other method of procurement
- Copy of payment record
- Freight bills/airway bills/ocean bills

Time Constraints

- Agency
  - 7 days to issue Statement of Difference
  - 30 to respond to rebuttal
  - 30 days to pay (PPA)
- GSA

  - 3 years to recover overcharges

  - 10 years to recover ordinary debt
- TSP

  - 60 days to respond to NOC

  - 3 years to file a claim

  - 6 months to file an appeal with the GSBCA

  - 41 CFR 102-118.445

Recommendations

- Clearly define contract provisions in compliance with statute/regulation
- Document the record
- Obtain access to Government rules and regulations:
  - 41 CFR 102-117
  - 41 CFR 102-118
  - GSA Audit handbooks

Statute of Limitations

- 3 year Statute of Limitations
  - Accrual of the cause of action
  - Payment of charges
  - Refund for overpayment
  - Deductions effected under 31 U.S.C. 3726

Appeal Process

- Claim denied by the Audit Division
- Claim presented to the Board within 6 months
- Docketed
- Referred to the Director of the Audit Division
- Assigned to the Audit Policy Branch for review and response within 30 days

Board of Contract Appeals

- GSBCA is independent tribunal established to hear and decide disputes between Gov't. contractors and GSA
- Also hears disputes between contractors and other executive agencies, incl. Treasury, State,Commerce, and Education
- Inexpensive remedy between Gov. and TSPs

Website: **gsbca@gsa.gov**

Forecast

For fiscal year just ending,

Prepay saved **$26** million

Postpay O/C **$15** million collected

For 2004, Expect Prepay ↑ **-** Postpay O/C ↓

Audit is @ 95% electronic (Powertrack, USPS and … TMSS) Envision total electronic in 3-4 years.

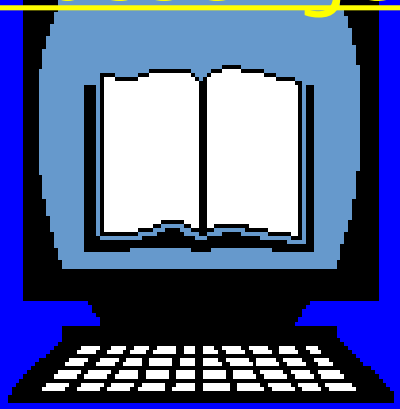
Transition from 100% postpayment audit to oversight role

Help in Preparing and Submitting Bills

US Govt. Freight Transportation Handbook

and

US Govt. Passenger Handbook



Located on our website: gsa.gov/transaudits

Website:www.gsa.gov

For the Audit Division

Under ‘Services’ (on blue bar across top of screen)

Click on ‘Transportation Audits’

or

www.gsa.gov/transaudits

For FSS Schedules

On R-hand column, click on GSA Schedules

on R-hand column, click on Schedules e-Library

Upper R-hand corner, in box, find 520 or 653…click ‘Go’

Prepay Auditors are 520-10

Move Managers are 653-7

Powertrack is 132-51& 52

For **TSPs**, call Audit Division 202-501-3500